

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name WHITNEY TWP. BUILDING AUTHORITY	County ARENAC
Fiscal Year End 3/31/06	Opinion Date 7/10/06	Date Audit Report Submitted to State 7/14/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

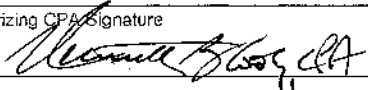
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) KENNETH B. COOK, CPA, PC		Telephone Number 989-362-4412		
Street Address 438 LAKE STREET		City TAWAS CITY	State MI	Zip 48763
Authorizing CPA Signature 		Printed Name KENNETH B. COOK		License Number 10520

WHITNEY TOWNSHIP BUILDING AUTHORITY

Arenac County, Michigan

***FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

With Auditor's Report

Year Ended March 31, 2006

WHITNEY TOWNSHIP BUILDING AUTHORITY
Arenac County, Michigan

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July 10, 2006

Members of the Authority Board
Whitney Township Building Authority
Arenac County, Michigan

We have audited the accompanying financial statements of the Whitney Township Building Authority, Arenac County, Michigan, as of and for the year ended March 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Whitney, Arenac County, as of March 31, 2006 and the results of operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read "Kenneth B. Cook", followed by the letters "CPA, PC" in a smaller, less legible script.

Kenneth B. Cook, CPA, PC
Certified Public Accountant

WHITNEY TOWNSHIP BUILDING AUTHORITY
Arenac County, Michigan

Combined Balance Sheet - All Fund Types
March 31, 2006

	General Fund Types	Account Groups	Totals (Memorandum Only)
	General Fund	Long-Term Debt	
<u>Assets</u>			
Cash - Checking & Savings	\$0	-	\$0
Net investment in direct financing lease	0	-	0
Amount to be provided for Capital Lease Lease Obligation		0	0
Total Assets	\$0	\$0	\$0
<u>Liabilities & Fund Equity</u>			
Liabilities:			
Bonds Payable	\$0	\$0	\$0
Total Liabilities	0	0	0
Fund Equity:			
Fund Balance			
Unreserved	0	-	0
Total Fund Equity	0	0	0
Total Liabilities & Fund Equity	\$0	\$0	\$0

The notes to the financial statements are an integral part of this statement.

WHITNEY TOWNSHIP BUILDING AUTHORITY
Arenac County, Michigan

Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund
For the Year Ended March 31, 2006

Revenues:	
Interest earned - lease	<u>\$675</u>
Total Revenues	675
Expenditures:	
Debt Service - Principal	27,000
Debt Service - Interest	<u>675</u>
Total Expenditures	<u>27,675</u>
Excess of Revenues Over (Under) Expenditures	(27,000)
Fund Balance, April 1, 2005	<u>27,000</u>
Fund Balance, March 31, 2006	<u><u>\$0</u></u>

The notes to the financial statements are an integral part of this statement.

WHITNEY TOWNSHIP BUILDING AUTHORITY
Arenac County, Michigan

Notes to Financial Statements
March 31, 2006

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Whitney Township Building Authority, Arenac County, Michigan conform to generally accepted accounting principles as applicable to governmental units.

Basis of Presentation:

The financial activities of the Whitney Township Building Authority are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund

This fund is used to account for all the transactions not accounted for in another fund, including the general operating expenditures of the Building Authority revenues which are primarily derived from contractual lease obligations.

Account Groups

General Long Term Debt Group of Accounts

This account group presents the balance of general obligation long-term debt of the Building Authority.

Basis of Accounting

The financial statements have been prepared using the modified accrual basis of accounting. Revenues are recognized in the period they become available and measurable. Expenditures are recognized in the period they are incurred.

Note 2 - Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the year ended March 31, 2006:

	<u>General Obligation</u>
Capitalized Lease Payable April 1, 2005	\$27,000
Lease payments	<u>(27,000)</u>
Capitalized Lease Payable March 31, 2006	<u><u>\$0</u></u>

Note 3 - Totals (Memorandum Only)

The combined financial statements of fund types and account groups present a total column for the year ended March 31, 2006, which aggregate the fund type and account group. This column is presented only for comparative purposes and should not be construed as presenting consolidated financial information.

July 10, 2006

Members of the Authority Board
Whitney Township Building Authority
Arenac County, Michigan

In the planning and performing of our audit of the general purpose financial statements of the Whitney Township Building Authority, for the year ended March 31, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

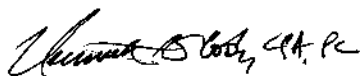
Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Whitney Township Building Authority's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that error or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We noted no matters involving the internal control structure and its operation that we consider to be a material weakness as defined above. Items of lesser importance and comments on certain items for information purposes only follow.

This report is intended solely for the use of management and the Michigan Department of Treasury. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board, is a matter of public record.

No reportable items were found.



Kenneth B. Cook, CPA, PC
Certified Public Accountant